

CITY OF GARNER

INDEPENDENT AUDITOR'S REPORT
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY AND OTHER INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2015

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CITY OF GARNER

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Ken Mick	Mayor	Jan 2018
Deb Schmidt	Mayor Pro tem	Jan 2016
Lynn Smith	Council Member	Jan 2016
Tim Schmidt	Council Member	Jan 2018
George Smith	Council Member	Jan 2018
Denny Drabek	Council Member	Jan 2018
Daisy Huffman	City Clerk/Treasurer	Indefinite
Randy Lansing	City Administrator	Indefinite
Philip Garland	Attorney	Indefinite



Renner & Birchem, PC

Certified Public Accountants

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Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of City of Garner, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of City of Garner as of June 30, 2015, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Emphasis of a Matter

As disclosed in Note 4 to the financial statements, the City of Garner adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinions are not modified with respect to this matter.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Garner's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unqualified opinions on those financial statements which were prepared on the basis of cash receipts and disbursements. The supplementary information included in Schedules 1 through 5, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other information, Management's Discussion and Analysis and the budgetary comparison information; the Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of City Contributions on pages 6 through 12 and 31 through 36 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2015 on our consideration of City of Garner's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Garner's internal control over financial reporting and compliance.

November 19, 2015



Renner & Bircham, P.C.
Britt, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Garner provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2015 FINANCIAL HIGHLIGHTS

- Revenues of the City's governmental activities realized a increase of 19% or approximately \$614,372 from fiscal 2014 to fiscal 2015.
- Disbursements decreased 27.2% or approximately \$1,308,150 due to the Aquatic Center Bond payoff in the prior year.
- The City's total cash basis net position increased approximately \$418,167 from June 30, 2014 to June 30, 2015. Of this amount, the cash basis net position of the governmental activities increased \$569,298 and the cash basis net position of the business type activities decreased \$151,131. The decrease in business type activities was due to the use of fund reserves for capital projects.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.

The Government-wide Financial Statement consists of a Statement of Activities and Net Position. This statement provides information about the activities of the City as a whole and presents an overall view of the City's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide financial statement by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Other Information further explains and supports the financial statements with a comparison of the City's budget for the year.

Supplementary Information provides detailed information about the non-major governmental funds and the City's indebtedness.

BASIS OF ACCOUNTING

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

REPORTING THE CITY'S FINANCIAL ACTIVITIES

Government-wide Financial Statement

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Cash Basis Statement of Activities and Net Position reports information which helps answer this question.

The Cash Basis Statement of Activities and Net Position presents the City's net position. Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Cash Basis Statement of Activities and Net Position is divided into two kinds of activities:

- Governmental Activities include public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax and other general receipts finance most of these activities.
- Business Type Activities include the waterworks, sanitary sewer and storm sewer systems. These activities are financed primarily by user charges.

Fund Financial Statements

The City has two kinds of funds:

1) Governmental funds account for most of the City's basic services. These focus on how money flows into and out of those funds, and the balances at year-end that are available for spending. The governmental funds include: A) the General Fund, B) the Special Revenue Funds, such as Road Use Tax and Urban Renewal Tax Increment, C) the Debt Service Fund, D) the Capital Projects Fund and E) the Permanent Fund. The governmental fund financial statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The required financial statement for governmental funds is a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.

2) Proprietary funds account for the City's Enterprise Funds. Enterprise Funds are used to report business type activities. The City maintains three Enterprise Funds to provide separate information for the water, sewer, and storm sewer funds, considered to be major funds of the City.

The required financial statements for proprietary funds is a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities shows an increase of 26.4% from \$2,155 million to \$2.725 million. The analysis to follow focuses on the changes in cash balances for governmental activities.

The City's total receipts for governmental activities increased approximately \$614,372 or 19%.

The City experienced no change in its property tax rate for 2015 at a rate of 13.24%. While maintaining a steady rate, property tax receipts for the year showed an increase of \$9,606. Increased property tax valuations made this increase possible.

The cost of all governmental activities decreased \$1,308,150 over the prior year a 27.2% decrease. As shown in the Statement of Activities and Net Position on page 14, the amount taxpayers financed for these activities was \$2.5 million. Some of the cost was paid by those directly benefited from the programs (\$446,774) or by other governments and organizations that subsidized certain programs with grants, contributions and restricted interest (\$569,671). Overall, the City's governmental activities receipts, including intergovernmental aid and fees for service, increased from approximately \$798,000 to \$1,016,445. The City paid for the remaining "public benefit" portion of governmental activities (\$2.5 million) with taxes (some of which could only be used for certain programs) and with other receipts, such as interest and general entitlements, local option sales tax and miscellaneous receipts.

Changes in Cash Basis Net Position of Governmental Activities

	Year ended June 30,	
	2015	2014
Receipts:		
Program receipts:		
Charges for service	\$ 446,774	438,042
Operating grants	366,450	360,368
Capital grants, contributions and restricted interest	203,221	
General receipts:		
Property tax	1,253,510	1,243,904
Tax increment financing	473,503	522,722
Local option sales tax	325,755	255,833
Unrestricted investment earnings	25,146	29,325
Other general receipts	579,259	315,839
Loan proceeds	74,542	
Sale of assets	88,328	56,083
Total receipts	<u>3,836,488</u>	<u>3,222,116</u>
Disbursements:		
Public safety	524,267	506,951
Public works	640,095	701,043
Health and social services	5,145	5,145
Culture and recreation	689,519	639,192
Community and economic development	711,954	263,709
General government	223,090	267,924
Debt service	476,193	2,036,978
Capital projects	223,589	313,261
Internal loans, net		67,799
Total disbursements	<u>3,493,852</u>	<u>4,802,002</u>
Change in cash basis net position before transfers	342,636	(1,579,886)
Transfers, net	<u>226,662</u>	<u>95,628</u>
Change in cash basis net position	569,298	(1,484,258)
Cash basis net position beginning of year	<u>2,155,239</u>	<u>3,639,497</u>
Cash basis net position end of year	<u>\$ 2,724,537</u>	<u>2,155,239</u>

Total business type activities receipts for the fiscal year were \$930,158 compared to \$998,470 last year. Total disbursements for the fiscal year remained steady at \$854,627, a 12.5% decrease. Use of reserves for capital projects resulted in a decrease in net position of business type activities of \$151,131.

Changes in Cash Basis Net Position of Business Type Activities		
	Year ended June 30,	
	2015	2014
Receipts:		
Program receipts:		
Charges for service		
Water	\$ 296,761	299,651
Sewer	538,485	539,496
Storm sewer	60,370	60,172
General receipts:		
Unrestricted investment earnings	8,923	9,839
Miscellaneous	25,619	21,513
Internal loans, net		67,799
Total receipts	930,158	998,470
Disbursements:		
Water	237,747	271,177
Sewer	578,540	643,000
Storm sewer	38,340	62,541
Total disbursements	854,627	976,718
Change in cash basis net position before transfers	75,531	21,752
Transfers, net	(226,662)	(95,628)
Change in cash basis net position	(151,131)	(73,876)
Cash basis net position beginning of year	1,160,829	1,234,705
Cash basis net position end of year	\$ 1,009,698	1,160,829

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the City of Garner completed the year, its governmental funds reported a combined fund balance of \$2,724,537, an increase of \$569,298 from last year's total of \$2,155,239. The following are the reasons for the changes in fund balances of the major funds from the prior year.

- The General Fund cash balance increased \$281,894 from the prior year to \$1,345,713 due in part to setting money aside into maintenance funds for future projects and a 2014 housing fund loan paid back in 2015.
- The Local Option Tax Fund cash balance increased by \$119,498 to \$299,778.
- The Housing Revolving Loan Fund cash balance increased by \$35,334 to \$438,580 due largely to proceeds from lot sales in Hejlik's Subdivision.
- The special Revenue, Road Use Tax Fund cash balance increased \$34,306 to \$140,801.
- The Special Revenue, Urban Renewal Tax Increment Fund was established to account for major renewal projects within the City. At the end of the fiscal year, the cash balance was \$65,431 an increase of \$55,412 from the previous year.
- The Debt Service Fund cash balance decreased by \$2,317 to \$13,020 during the fiscal year.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

- The Enterprise, Water Fund cash balance decreased by \$107,763 to \$205,450 due to capital projects.
- The Enterprise, Sewer Fund cash balance decreased by \$37,060 to \$709,747. This decrease was also due to capital projects.
- The Enterprise, Storm Sewer Fund cash balance realized a decrease of \$6,308 to \$94,501 to be used for future capital projects.

BUDGETARY HIGHLIGHTS

Over the course of the year, the City amended its budget once. The amendments resulted in an increase to disbursements in several functions totaling \$365,000. Governmental activity amendments were made to provide for additional disbursements in certain City departments. The City had sufficient cash balances to absorb these additional costs.

DEBT ADMINISTRATION

At June 30, 2015, the City had \$5,369,542 in bonds and other long-term debt, compared to \$5,854,199 the previous year, as shown below.

Outstanding Debt at Year-End		
	Year ended June 30,	
	2015	2014
General obligation notes	\$ 3,145,000	3,526,199
TIF notes	74,542	
Revenue notes	2,150,000	2,328,000
Total	<u>\$ 5,369,542</u>	<u>5,854,199</u>

The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5% of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation and TIF debt of \$3,219,542 is below its constitutional debt limit of \$8,783,345.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Garner's elected and appointed officials considered many factors when setting the fiscal year 2016 budget, tax rates and fees that will be charged for various City activities. As state and national economic conditions continue to improve, Garner shares in the optimism. With an unemployment rate of 2.4%, well below the national level of 5.0%, the local economy remains steady. City officials continue to be cautious looking to maintain a strong financial position when addressing government spending and yet were able to maintain the same tax rate of 13.24% for the fifth year in a row.

Even with no change in the tax rate, several projects have been planned, including a downtown revitalization project, a housing rehabilitation project, park upgrades and equipment replacements. Additionally, progress on the library remodeling project continues into fiscal year 2016.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Randy Lansing, City Administrator, 135 West 5th Street, Garner, Iowa.

BASIC FINANCIAL STATEMENTS

Cash Basis Statement of Activities and Net Position

As of and for the year ended June 30, 2015

	Program Receipts				Net (Disbursements) Receipts and Changes in Cash Basis Net Position		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Functions / Programs:							
Governmental activities:							
Public safety	\$ 524,267		15,095		(509,172)		(509,172)
Public works	640,095	163,818	325,361		(150,916)		(150,916)
Health and social services	5,145				(5,145)		(5,145)
Culture and recreation	689,519	282,556	25,994		(380,969)		(380,969)
Community and economic development	711,954			203,221	(508,733)		(508,733)
General government	223,090	400			(222,690)		(222,690)
Debt service	476,193				(476,193)		(476,193)
Capital projects	223,589				(223,589)		(223,589)
Total governmental activities	3,493,852	446,774	366,450	203,221	(2,477,407)		(2,477,407)
Business type activities:							
Water	237,747	296,761				59,014	59,014
Sewer	578,540	538,485				(40,055)	(40,055)
Storm sewer	38,340	60,370				22,030	22,030
Total business type activities	854,627	895,616				40,989	40,989
Total	\$ 4,348,479	1,342,390	366,450	203,221	(2,477,407)	40,989	(2,436,418)
General Receipts:							
Property tax levied for:							
General purposes					\$ 752,202		752,202
Employee benefits and insurance					262,055		262,055
Debt service					239,253		239,253
Tax increment financing					473,503		473,503
Local option sales tax					325,755		325,755
Unrestricted interest on investments					25,166	8,923	34,089
Loan proceeds					74,542		74,542
Miscellaneous					579,239	25,619	604,858
Sale of assets					88,328		88,328
Transfers					226,662	(226,662)	
Total general receipts and transfers					3,046,705	(192,120)	2,854,585
Change in cash basis net position					569,298	(151,131)	418,167
Cash basis net position beginning of year					2,155,239	1,160,829	3,316,068
Cash basis net position end of year					\$ 2,724,537	1,009,698	3,734,235
Cash Basis Net Position							
Restricted:							
Expendable:							
Streets					\$ 140,801		140,801
Debt service					13,020	252,875	265,895
Other purposes					1,225,003		1,225,003
Unrestricted					1,345,713	756,823	2,102,536
Total cash basis net position					\$ 2,724,537	1,009,698	3,734,235

See notes to financial statements.

Statement of Cash Receipts, Disbursements and Changes in Cash Balances
Governmental Funds

As of and for the year ended June 30, 2015

	Special Revenue					Debt Service	Nonmajor	Total
	General	Local Option Tax	Revolving Loan-Housing	Road Use Tax	Urban Renewal Tax Increment			
Receipts:								
Property tax	\$ 752,202					239,253	262,055	1,253,510
Tax increment financing collections					473,503			473,503
Other city tax	17,268	325,755				4,642	6,022	353,687
Licenses and permits	39,399							39,399
Use of money and property	81,212	2,688	2,628				11,278	97,806
Intergovernmental	60,539			325,361		4,538	209,108	599,546
Charges for service	446,774							446,774
Special assessments	12,872							12,872
Miscellaneous	204,381		144,088	22,188	18,635		7,229	396,521
Total receipts	1,614,647	328,443	146,716	347,549	492,138	248,433	495,692	3,673,618
Disbursements:								
Operating:								
Public safety	399,343						124,924	524,267
Public works	180,111			413,008			46,976	640,095
Health and social services	5,145							5,145
Culture and recreation	649,904						39,615	689,519
Community and economic development	59,576		199,097		205,609		247,672	711,954
General government	181,920						41,170	223,090
Debt service						476,193		476,193
Capital projects							223,589	223,589
Total disbursements	1,475,999		199,097	413,008	205,609	476,193	723,946	3,493,852
Excess (deficiency) of receipts over (under) disbursements	138,648	328,443	(52,381)	(65,459)	286,529	(227,760)	(228,254)	179,766
Other financing sources (uses):								
Loan proceeds					74,542			74,542
Operating transfers in	214,949	14,719		108,685		225,443	257,928	821,724
Operating transfers out	(29,845)	(296,797)	(19,338)	(8,920)	(240,162)			(595,062)
Internal loan, net	(42,060)	73,133	18,927		(65,497)		15,497	
Sale of assets	202		88,126					88,328
Total other financing sources (uses)	143,246	(208,945)	87,715	99,765	(231,117)	225,443	273,425	389,532
Change in cash balances	281,894	119,498	35,334	34,306	55,412	(2,317)	45,171	569,298
Cash balances beginning of year	1,063,819	180,280	403,246	106,495	10,019	15,337	376,043	2,155,239
Cash balances end of year	\$1,345,713	299,778	438,580	140,801	65,431	13,020	421,214	2,724,537
Cash Basis Fund Balances								
Restricted for:								
Debt service						13,020		13,020
Streets				140,801				140,801
Other purposes		299,778	438,580		65,431		421,214	1,225,003
Unassigned	\$1,345,713							1,345,713
Total cash basis fund balances	\$1,345,713	299,778	438,580	140,801	65,431	13,020	421,214	2,724,537

See notes to financial statements.

City of Garner

Statement of Cash Receipts, Disbursements and Changes in Cash Balances
Proprietary Funds

As of and for the year ended June 30, 2015

	Enterprise Funds			
	Water	Sewer	Storm Sewer	Total
Operating receipts:				
Charges for services	\$ 296,761	538,485	60,370	895,616
Total operating receipts	296,761	538,485	60,370	895,616
Operating disbursements:				
Business type activities	237,747	324,879	38,340	600,966
Total operating disbursements	237,747	324,879	38,340	600,966
Excess of operating receipts over operating disbursements	59,014	213,606	22,030	294,650
Non-operating receipts (disbursements):				
Interest on investments	2,166	6,011	746	8,923
Miscellaneous	2,560	8,063	14,996	25,619
Total non-operating receipts	4,726	14,074	15,742	34,542
Excess of receipts over disbursements	63,740	227,680	37,772	329,192
Other financing sources (uses):				
Operating transfers out	(171,503)	(11,079)	(44,080)	(226,662)
Debt service repayment		(253,661)		(253,661)
Total other financing sources (uses)	(171,503)	(264,740)	(44,080)	(480,323)
Change in cash balances	(107,763)	(37,060)	(6,308)	(151,131)
Cash balances beginning of year	313,213	746,807	100,809	1,160,829
Cash balances end of year	\$ 205,450	709,747	94,501	1,009,698
Cash Basis Fund Balances				
Restricted for debt service		252,875		252,875
Unrestricted	\$ 205,450	456,872	94,501	756,823
Total cash basis fund balances	\$ 205,450	709,747	94,501	1,009,698

See notes to financial statements.

CITY OF GARNER

Notes to Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies

The City of Garner is a political subdivision of the State of Iowa located in Hancock County. It was first incorporated in 1881 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens including public safety, public works, culture and recreation, community and economic development and general government services. The City of Garner also provides water and sewer utilities for its citizens.

A. Reporting Entity

For financial reporting purposes, City of Garner has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City. The City has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Landfill of North Iowa Board, Hancock County Emergency Management Commission, Hancock County Assessor's Conference Board, Garner Area Community Betterment Association and Hancock County Economic Development Corporation.

B. Basis of Presentation

Government-wide Financial Statement – The Cash Basis Statement of Activities and Net Position reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Cash Basis Statement of Activities and Net Position presents the City's nonfiduciary net position. Net position is reported in the following categories/components:

CITY OF GARNER

Notes to Financial Statements

June 30, 2015

Nonexpendable restricted net position is subject to externally imposed stipulations which require the cash balance to be maintained permanently by the City, including the City's Permanent Fund.

Expendable restricted net position results when constraints placed on the use of cash balances are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of cash balances not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Cash Basis Statement of Activities and Net position demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements - Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Local Option Fund is used to account for local option tax receipts and disbursements.

The Revolving Loan-Housing Fund is used to account for development activities for housing projects.

The Road Use Tax Fund is used to account for the road use tax allocations from the State of Iowa to be used for road construction and maintenance.

The Urban Renewal Tax Increment Fund is used to account for tax increment financing collections and the repayment of the tax increment financing indebtedness.

The Debt Service Fund is utilized to account for the payment of interest and principal on the City's general long-term debt.

CITY OF GARNER

Notes to Financial Statements

June 30, 2015

The City reports the following major proprietary funds:

The Enterprise, Water Fund accounts for the operation and maintenance of the City's water system.

The Enterprise, Fund accounts for the operation and maintenance of the City's waste water treatment and sanitary sewer system.

The City also elected to report the following discretionary fund as a major fund.

The Enterprise, Storm Sewer Fund accounts for the operation and maintenance of the City's storm sewer system.

C. Measurement Focus and Basis of Accounting

The City of Garner maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Governmental Cash Basis Fund Balances:

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

CITY OF GARNER

Notes to Financial Statements

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Assigned – Amounts the City Council intends to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information.

(2) Cash and Investments

The City's deposits in banks at June 30, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest rate risk-The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the City.

The Henschen Library Trust investments at June 30, 2015 are as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Donated stock and stock funds	<u>\$ 151,664</u>	<u>\$ 340,751</u>

The donated stock and stock funds are included in the Trust Fund-Henschen Library Trust. The stock was bequested to the City in 1969 under the stipulation that the income is only to be used for the general purposes of the Garner Public Library for a period of fifty years. Part of the stock originally received was sold on February 22, 1996 and the entire proceeds were reinvested in mutual funds in accordance with the terms of the original bequest. All of the investments are registered in the name of the Garner Public Library. The Public Library Board has control over the funds, First Citizens Trust Company, N.A. is the trustee.

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Notes to Financial Statements

June 30, 2015

(3) Bonds and Notes Payable

Annual debt service requirements to maturity for general obligation notes, urban renewal tax increment financing revenue bonds and revenue notes are as follows:

Year Ending June 30,	General		Urban Renewal Tax Increment Financing		Revenue Notes		Total	
	Obligation Notes		Revenue Notes		Revenue Notes			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 370,000	85,943	14,257	1,510	183,000	64,500	567,257	151,953
2017	375,000	77,913	14,616	1,151	189,000	59,010	578,616	138,074
2018	360,000	69,455	14,917	850	196,000	53,340	570,917	123,645
2019	370,000	60,245	15,221	546	154,000	47,460	539,221	108,251
2020	380,000	50,330	15,531	237	159,000	42,840	554,531	93,407
2021-2025	1,290,000	83,178			877,000	139,440	2,167,000	222,618
2026-2027					392,000	17,730	392,000	17,730
	<u>\$ 3,145,000</u>	<u>427,064</u>	<u>74,542</u>	<u>4,294</u>	<u>2,150,000</u>	<u>424,320</u>	<u>5,369,542</u>	<u>855,678</u>

Urban Renewal Tax Increment Financing Revenue Bonds

The City issued \$74,542 of urban renewal tax increment financing (TIF) revenue bonds in December 2014 for the purpose of defraying a portion of the costs of the extension of natural gas distribution lines within the urban renewal district. The bonds are payable solely from the TIF receipts generated by increased property values in the City's TIF district and credited to the Special Revenue, Urban Renewal Tax Increment Fund in accordance with Chapter 403.19 of the Code of Iowa. TIF receipts are generally projected to produce 100% of the debt service requirements over the life of the bonds. The proceeds of the urban renewal tax increment financing revenue bonds shall be expended only for purposes which are consistent with the plans of the City's urban renewal area. The bonds are not a general obligation of the City. However, the debt is subject to the constitutional debt limitation of the City. Total principal and interest remaining on the bonds is \$78,836, payable through June 2020.

Revenue Notes

The City has pledged future sewer customer receipts, net of specific operating disbursements to repay \$2,935,000 of sewer revenue notes. Proceeds from the notes provided financing for the construction of the wastewater treatment plant and sewer trunkline. The notes are payable solely from sewer customer net receipts and are payable through 2027. Total principal and interest remaining to be paid on the notes is \$2,604,320. For the current year, principal and interest paid and total customer receipts were \$247,840 and \$546,548, respectively.

CITY OF GARNER

Notes to Financial Statements

June 30, 2015

The resolutions providing for the issuance of the revenue notes include the following provisions:

- (a) The notes will only be redeemed from the future earnings of the enterprise activity and the note holders hold a lien on the future earnings of the funds.
- (b) Sufficient monthly transfers shall be made to a separate sewer revenue note sinking fund within the Enterprise Funds for the purpose of making the bond principal and interest payments when due.
- (c) All funds remaining in the sewer account after the payment of all maintenance and operating expenses and required transfers shall be placed in a surplus fund within the Enterprise Funds. All money credited to the surplus fund shall be transferred and credited to the sinking fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the notes.

Internal Loans

Advances of \$115,000 were made from the Local Option Fund and \$100,000 from the Housing Revolving Loan Fund to the Capital Projects Fund in order to pay the costs of construction for rehabilitation clinic for Hancock County Memorial Hospital. These advances, totaling \$215,000, shall be treated as a loan (the "Loan") to the Capital Project Fund and shall be repaid to the Local Option Fund and the Housing Revolving Loan Fund.

An advance of \$250,000 was made from the Local Option Fund to the Touchstone-TIF Fund in order to pay for infrastructure. This advance shall be treated as a loan (the "Loan") to the Touchstone-TIF Fund and shall be repaid to the Local Option Fund.

An advance of \$6,665 was made from the Housing Revolving Loan Fund to the Kadrlik Touchstone-TIF Fund in order to pay the initial costs for a feasibility study regarding a potential new motel. This advance shall be treated as a loan (the "Loan") to the Kadrlik Touchstone-TIF Fund and shall be repaid to the Housing Revolving Loan Fund.

An advance of \$27,500 was made from the Revolving Loan-Industry Fund to the Kadrlik Touchstone-TIF in order to pay for infrastructure for Steller expansion. This advance shall be treated as a loan (the "Loan") to the Kadrlik Touchstone-TIF Fund and shall be repaid to the Revolving Loan-Industry Fund.

Payments on the loans are subject to annual appropriation by the City Council and to the Council's determination that there are incremental tax revenues available for such purpose which have been allocated to or accrued in the Tax Increment Fund.

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Notes to Financial Statements

June 30, 2015

Once appropriated, payments shall be made on the Loan on June 1 of each year to the extent there are incremental tax revenues available for such purpose which have been allocated to or accrued in the Tax Increment Fund. The right is hereby reserved to issue additional obligations, or to enter into additional loans, payable from the Tax Increment Fund, which may either rank on parity with the loan or may have a priority over the loan with respect to the revenues in the Tax Increment Fund. The internal loans principal balance outstanding at June 30, 2015 is \$169,676.

(4) Pension Plans

Plan Description - IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

CITY OF GARNER

Notes to Financial Statements

June 30, 2015

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the City contributed 8.93 percent for a total rate of 14.88 percent.

The City's contributions to IPERS for the year ended June 30, 2015 were \$75,154.

Collective Net Pension Liabilities, Collective Pension Expense, and Collective Deferred Outflows of Resources and Collective Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the City's liability for its proportionate share of the collective net pension liability totaled \$269,704. The collective net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the collective net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the City's proportion was 0.0068006 percent, which was a decrease of 0.0017840 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015 the City collective pension expense, collective deferred outflows and collective deferred inflows totaled \$30,357, \$18,195 and \$(191,870) respectively.

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00 percent
Salary increases (effective June 30, 2014)	4.00 percent, average, including inflation
Investment rate of return (effective June 30, 1996)	7.50 percent per annum, compounded annually, net of pension plan investment expense, including inflation

CITY OF GARNER

Notes to Financial Statements

June 30, 2015

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	23%	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

CITY OF GARNER

Notes to Financial Statements

June 30, 2015

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 689,503	269,704	(84,465)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

(5) Other Postemployment Benefits (OPEB)

Plan Description - The City operates a single-employer retiree benefit plan which provides medical/prescription drug and dental benefits for retirees and their spouses. There are 14 active and 2 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with True North Companies/Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees.

The dental benefits are provided through a fully-insured plan with True North Companies/Blue Dental. Retirees pay the same premium for dental benefits as active employees.

Funding Policy - The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis. For the year ended June 30, 2015, the City disbursed \$106,463.

(6) Compensated Absences

City employees accumulate a limited amount of earned but unused vacation and comp time hours for subsequent use or for payment upon termination, retirement or death. Sick leave hours are accumulated for subsequent use but are not paid upon termination, retirement, or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation and comp time payable to employees at June 30, 2015, primarily relating to the General Fund, is as follows:

Type of Benefit	Amount June 30, 2015
Vacation	\$ 46,439
Comp	<u>4,285</u>
	<u>\$ 50,724</u>

This liability has been computed based on rates of pay in effect at June 30, 2015.

CITY OF GARNER

Notes to Financial Statements

June 30, 2015

(7) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue: Local Option	\$ <u>197,430</u>
Special Revenue: RUT	Special Revenue: Local Option	75,447
	Enterprise: Water	11,080
	Sewer	11,079
	Storm sewer	<u>11,080</u>
		<u>108,686</u>
Capital Project	General	12,325
	Special Revenue: Local Option	8,920
	RUT	8,920
	Enterprise: Storm Sewer	33,000
	Water	<u>160,424</u>
		<u>223,589</u>
Debt Service	Special Revenue: Tax Increment	<u>225,443</u>
Special Revenue: Revolving Loan-Retail	Special Revenue: Local Option	<u>15,000</u>
Local Option	Tax Increment	<u>14,719</u>
CDBG Façade Project	Revolving Loan – Housing	<u>19,339</u>
Total		\$ <u>804,206</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

(8) Related Party Transactions

The City had business transactions between the City and City officials, during the year ended June 30, 2015, totaling \$4,680.

CITY OF GARNER

Notes to Financial Statements

June 30, 2015

(9) Risk Management

The City is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 727 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on the cash basis, the Pool's general and administrative expenses, claims, claim expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The City of Garner's annual contributions to the Pool for the year ended June 30, 2015 were \$103,676.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the City's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

CITY OF GARNER

Notes to Financial Statements

June 30, 2015

The City does not disclose a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2015, no liability has been disclosed in the City's financial statements. As of June 30, 2015, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The City of Garner also carries commercial insurance purchased from other insurers for surety bond coverage. The City assumes liability for any deductibles and claims in excess of coverage limitations.

(10) Deferred Compensation Agreements

The City offers all City employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plan were held in trust, as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the City's financial statements. The City does not make any contributions under the agreement.

(11) Date of Management Evaluation

The City has evaluated subsequent events through November 19, 2015, the date which financial statements were available to be issued.

(12) Prairie Energy Development, LC

The City is a one third partner in Prairie Energy Development, LC. The partnership owns Touchstone Energy Industrial Park land to be used for economic development.

OTHER INFORMATION

City of Garner

Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds and Proprietary Funds

Other Information

Year ended June 30, 2015

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted	Total	Budgeted Amounts		Final to Total Variance
					Original	Final	
Receipts:							
Property tax	\$ 1,253,510			1,253,510	1,272,563	1,272,563	(19,053)
Tax increment financing collections	473,503			473,503	475,875	475,875	(2,372)
Other city tax	353,687			353,687	286,082	286,082	67,605
Licenses and permits	39,399			39,399	34,730	34,730	4,669
Use of money and property	97,806	8,923	10,147	96,582	86,547	86,547	10,035
Intergovernmental	599,546			599,546	733,006	782,806	(183,260)
Charges for services	446,774	895,616		1,342,390	1,403,967	1,403,967	(61,577)
Special assessments	12,872			12,872	10,700	10,700	2,172
Miscellaneous	396,521	25,619		422,140	831,863	857,363	(435,223)
Total receipts	3,673,618	930,158	10,147	4,593,629	5,135,333	5,210,633	(617,004)
Disbursements:							
Public safety	524,267			524,267	505,043	540,043	15,776
Public works	640,095			640,095	686,746	736,746	96,651
Health and social services	5,145			5,145	5,455	5,455	310
Culture and recreation	689,519		8,678	680,841	665,698	730,698	49,857
Community and economic development	711,954			711,954	833,433	983,433	271,479
General government	223,090			223,090	238,420	258,420	35,330
Debt service	476,193			476,193	476,193	476,193	
Capital projects	223,589			223,589	1,308,099	1,308,099	1,084,510
Business type activities		600,966		600,966	876,768	921,768	320,802
Total disbursements	3,493,852	600,966	8,678	4,086,140	5,595,855	5,960,855	1,874,715
Excess (deficiency) of receipts over (under) disbursements	179,766	329,192	1,469	507,489	(460,522)	(750,222)	1,257,711
Other financing sources, net	389,532	(480,323)		(90,791)	432,500	507,000	(597,791)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	569,298	(151,131)	1,469	416,698	(28,022)	(243,222)	659,920
Balances beginning of year	2,155,239	1,160,829	152,162	3,163,906	4,377,327	4,377,327	(1,213,421)
Cash balances end of year	\$ 2,724,537	1,009,698	153,631	3,580,604	4,349,305	4,134,105	(553,501)

See accompanying independent auditor's report.

City of Garner

Notes to Other Information – Budgetary Reporting

June 30, 2015

The budgetary comparison is presented in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except the Internal Service Fund. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Funds and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendments increased budgeted disbursements by \$365,000. The budget amendment is reflected in the final budgeted amounts.

City of Garner
Schedule of the City's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
Last Fiscal Year*

Other Information

	<u>2015</u>
City's proportion of the net pension liability	0.0068006%
City's proportionate share of the net pension liability	\$ 269,704
City's covered-employee payroll	796,159
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.88%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

City of Garner
Schedule of City Contributions

Iowa Public Employees' Retirement System
Last 10 Fiscal Years

Other Information

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Statutorily required contribution	\$ 74,926	74,126	72,069	68,104	60,741	55,205	59,577	40,779	40,149	37,591
Contributions in relation to the statutorily required contribution	(74,926)	(74,126)	(72,069)	(68,104)	(60,741)	(55,205)	(59,577)	(40,779)	(40,149)	(37,591)
Contribution deficiency (excess)										
City's covered-employee payroll	\$ 803,428	796,159	785,030	783,249	765,661	735,166	755,448	588,908	569,187	525,624
Contributions as a percentage of covered-employee payroll	9.33%	9.31%	9.18%	8.70%	7.93%	7.51%	7.89%	6.92%	7.05%	7.15%

See accompanying independent auditor's report.

City of Garner

Notes to Other Information – Pension Liability

Year ended June 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

SUPPLEMENTARY INFORMATION

Schedule of Cash Receipts, Disbursements and Changes in Cash Balances
Nonmajor Governmental Funds

As of and for the year ended June 30, 2015

	Special Revenue				Capital Projects	Permanent	Total
	Employee Benefits	Industrial Revolving Loan	Retail Revolving Loan	CDBG Housing Rehab		Henschen Library Trust	
Receipts:							
Property tax	\$262,055						262,055
Other city tax	6,022						6,022
Use of money and property		869	262			10,147	11,278
Intergovernmental	5,887			203,221			209,108
Miscellaneous	3,205	3,544	480				7,229
Total receipts	277,169	4,413	742	203,221		10,147	495,692
Disbursements:							
Operating:							
Public safety	124,924						124,924
Public works	46,976						46,976
Culture and recreation	30,937					8,678	39,615
Community and economic development			5,020	242,652			247,672
General government	41,170						41,170
Capital projects					223,589		223,589
Total disbursements	244,007		5,020	242,652	223,589	8,678	723,946
Excess (deficiency) of receipts over (under) disbursements	33,162	4,413	(4,278)	(39,431)	(223,589)	1,469	(228,254)
Other financing sources (uses):							
Operating transfers in			15,000	19,339	223,589		257,928
Internal loans, net		15,497					15,497
Total other financing sources (uses):		15,497	15,000	19,339	223,589		273,425
Change in cash balances	33,162	19,910	10,722	(20,092)		1,469	45,171
Cash balances beginning of year	50,731	114,210	35,190	23,750		152,162	376,043
Cash balances end of year	\$ 83,893	134,120	45,912	3,658		153,631	421,214
Cash Basis Fund Balances							
Restricted for other purposes	\$ 83,893	134,120	45,912	3,658		153,631	421,214
Total cash basis fund balances	\$ 83,893	134,120	45,912	3,658		153,631	421,214

See accompanying independent auditor's report.

Schedule of Cash Receipts, Disbursements and Changes in Cash Balances
Capital Projects Funds

As of and for the year ended June 30, 2015

	2013	Library	Water	
	Street/Utility	Remodel	Generator	Total
Disbursements:				
Capital projects	\$ 84,368	12,325	126,896	223,589
Total disbursements	84,368	12,325	126,896	223,589
Excess (deficiency) of receipts over (under) disbursements	(84,368)	(12,325)	(126,896)	(223,589)
Other financing sources (uses):				
Operating transfers in	84,368	12,325	126,896	223,589
Total other financing sources (uses):	84,368	12,325	126,896	223,589
Change in cash balances				
Cash balances beginning of year				
Cash balances end of year	\$			

See accompanying independent auditor's report.

Schedule of Indebtedness

Year ended June 30, 2015

Obligation	Date of Issue	Rate of Interest	Amount Originally Issued	Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
General obligation notes:								
REC-Aquatic Center	12-1-06	0.00	300,000	\$ 90,000		30,000	60,000	
Recreation Center	5-1-08	3.00 - 4.00	2,750,000	1,840,000		170,000	1,670,000	71,263
Fire Truck	9-1-09	3.00	100,000	21,199		21,199		636
Pool Refunding Bonds	4-10-12	.65-2.15	1,575,000	1,575,000		160,000	1,415,000	22,095
Total				3,526,199		381,199	3,145,000	93,994
Tax increment financing:								
Touchstone gas line extension	12-15-14	2.00	74,542		74,542		74,542	
Total					74,542		74,542	
Revenue notes:								
Sewer-WWTP	1-13-10	3.00	2,640,000	2,151,000		136,000	2,015,000	64,530
Sewer-Trunkline	3-31-11	3.00	295,000	177,000		42,000	135,000	5,310
Total				2,328,000		178,000	2,150,000	69,840
Internal loans:								
Urban Renewal Area I	11-23-09		250,000	141,983		50,000	91,983	
Touchstone TIF	11-26-08		64,636	14,619		14,619		878
Rec Center	9-30-09	6.00	215,000	80,743		37,215	43,528	4,845
Kadrlik/Touchstone-Hotel	6-30-12		6,665	6,665			6,665	
Kadrlik/Touchstone-Stellar	6-30-12		27,500	27,500			27,500	
Total				271,510		101,834	169,676	5,723
Total				\$ 6,125,709	74,542	661,033	5,539,218	169,557

See accompanying independent auditor's report.

June 30, 2015

General Obligation Bonds and Notes							
Year	REC-Aquatic Center		Recreation Center		Aquatic Center, Series 2012		
Ending	Issued December 1, 2006		Issued May 12, 2008		Issued April 10, 2012		
June 30,	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	Total
2016	0.00%	\$ 30,000	3.75%	180,000	.80%	160,000	370,000
2017	0.00	30,000	3.75	185,000	.95	160,000	375,000
2018			3.75	195,000	1.15	165,000	360,000
2019			3.75	205,000	1.35	165,000	370,000
2020			4.00	210,000	1.70	170,000	380,000
2021			4.00	220,000	1.70	170,000	390,000
2022			4.00	230,000	1.70	175,000	405,000
2023			4.00	245,000	2.15	175,000	420,000
2024					2.15	75,000	75,000
Total		\$ 60,000		1,670,000		1,415,000	3,145,000

Year	Sewer				
Ending	Issued January 13, 2010		Issued March 31, 2011		
June 30,	Interest Rates	Amount	Interest Rates	Amount	Total
2016	3.00%	\$ 140,000	3.00%	43,000	183,000
2017	3.00	144,000	3.00	45,000	189,000
2018	3.00	149,000	3.00	47,000	196,000
2019	3.00	154,000			154,000
2020	3.00	159,000			159,000
2021	3.00	164,000			164,000
2022	3.00	170,000			170,000
2023	3.00	175,000			175,000
2024	3.00	181,000			181,000
2025	3.00	187,000			187,000
2026	3.00	193,000			193,000
2027	3.00	199,000			199,000
Total		\$2,015,000		135,000	2,150,000

Revenue Bonds	
Issued December 15, 2014	
Interest Rates	Amount
2.00%	14,257
2.00	14,616
2.00	14,917
2.00	15,221
2.00	15,531
	<u>74,542</u>

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Schedule of Receipts by Source and Disbursements by Function -
All Governmental Funds

For the Last Ten Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Receipts:										
Property tax	\$ 1,253,510	1,243,904	1,219,794	1,180,724	1,130,876	1,053,384	1,029,615	1,091,666	979,610	870,989
Tax increment financing	473,503	522,722	478,891	441,712	454,085	423,346	333,998	108,444	48,580	45,191
Other city tax	353,687	255,833	259,213	247,293	186,772	255,811	232,625	183,394	192,254	203,647
Licenses and permits	39,399	41,267	35,472	37,530	32,973	31,151	35,564	36,202	36,033	35,631
Use of money and property	97,806	94,539	98,317	89,275	90,512	93,316	122,137	105,527	176,676	83,390
Intergovernmental	599,546	360,368	345,759	340,715	552,718	737,673	285,561	338,246	284,303	285,702
Charges for service	446,774	438,042	447,951	455,640	454,899	353,231	237,516	247,509	219,975	169,488
Special assessments	12,872	14,541	17,578	9,989	9,103	9,770	8,221	7,721	7,757	358
Miscellaneous	396,521	194,817	76,710	78,827	209,632	241,537	546,459	628,386	1,008,284	996,231
Total	<u>\$ 3,673,618</u>	<u>3,166,033</u>	<u>2,979,685</u>	<u>2,881,705</u>	<u>3,121,570</u>	<u>3,199,219</u>	<u>2,831,696</u>	<u>2,747,095</u>	<u>2,953,472</u>	<u>2,690,627</u>
Disbursements:										
Operating:										
Public safety	\$ 524,267	506,951	551,587	542,016	547,080	473,861	501,027	454,291	479,561	466,120
Public works	640,095	701,043	562,969	567,747	612,293	563,040	551,037	591,630	584,958	419,539
Health and social services	5,145	5,145	5,145	5,145	5,023	4,900	4,900	4,900	4,900	4,500
Culture and recreation	689,519	639,192	623,792	695,629	624,084	573,737	431,344	421,964	303,752	279,907
Community and economic development	711,954	312,459	272,916	145,571	173,249	141,902	256,082	429,624	602,993	967,255
General government	223,090	266,174	196,937	183,424	201,659	175,581	169,296	168,744	164,152	173,741
Debt service	476,193	1,989,978	586,092	593,636	750,337	718,247	757,950	724,680	595,861	462,407
Capital projects	223,589	313,261	421,776	458,628	3,425,143	2,936,233	1,861,183	456,654	3,302,859	655,797
Total	<u>\$ 3,493,852</u>	<u>4,734,203</u>	<u>3,221,214</u>	<u>3,191,796</u>	<u>6,338,868</u>	<u>5,587,501</u>	<u>4,532,819</u>	<u>3,252,487</u>	<u>6,039,036</u>	<u>3,429,266</u>

See accompanying independent auditor's report.



Renner & Birchem, PC

Certified Public Accountants

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Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with Government Auditing Standards

To the Honorable Mayor and
Members of the City Council:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of City of Garner, Iowa, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 19, 2015. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Garner's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Garner's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Garner's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, significant deficiencies or material weaknesses may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified deficiencies in internal control we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of City of Garner's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part I of the accompanying Schedule of Findings as item I-A-15 to be material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Part I of the accompanying Schedule of Findings as item I-B-15 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Garner's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

City of Garner's Responses to the Findings


City of Garner's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. City of Garner's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of City of Garner during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

November 19, 2015


Renner & Birchm, P.C.
Britt, Iowa

City of Garner

Schedule of Findings

Year Ended June 30, 2015

Part I: Findings Related to the Financial Statements:

Internal Control Deficiencies:

- I-A-15 Segregation of Duties - One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The areas of cash receipts and the disbursements, investments, and payroll under ideal conditions would be segregated.

Recommendation - We realize that with a limited number of employees segregation of duties is difficult. The City has implemented certain procedures to improve internal control. However, the City should continue to review its operating procedures to obtain the maximum internal control possible under the circumstances.

Response - We will investigate this and continue to implement procedures where possible.

Conclusion - Response acknowledged. The City should segregate duties to the extent possible with existing personnel and utilize administrative personnel to provide additional control through review of financial transactions and reports.

- I-B-15 Recreation Center Operations – The recreational center accounting procedures should be reviewed.

Recommendation – An accounting and procedures manual should be developed and adhered to for stronger control and to provide the following benefits:

- (1) Aid in training current and future staff.
- (2) Achieve uniformity in accounting and in the application of policies and procedures.
- (3) Ensure City accounts are properly utilized.
- (4) Strengthen the overall controls.

Response - We intend to investigate and install controls.

Conclusion - Response accepted.

Instances of Non-Compliance:

No matters were noted.

City of Garner

Schedule of Findings

Year Ended June 30, 2015

Part II: Other Findings Related to Statutory Reporting:

II-A-15 Certified Budget – Disbursements during the year ended June 30, 2015 did not exceed the amounts budgeted.

II-B-15 Questionable Disbursements – No disbursements were noted that may not meet the requirements of public purpose as defined in the Attorney General’s opinion dated April 25, 1979 or that were not properly documented. The City has established written policies and procedures, including the requirements for proper documentation, as part of their adopted administrative policies.

II-C-15 Travel Expense - No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

II-D-15 Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

<u>Name, Title, and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Lynn Smith, Council Member		
Owner Smith Hardware	Supplies & repairs	\$3,845
Mark Waddingham, Employee		
Owner, Waddingham Construction	Construction	\$ 835

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transactions with council member Smith may represent a conflict of interest since a competitive bidding process was not utilized for all transactions and the total of the transactions were in excess of \$1,500.

Recommendation – The city should use a competitive bidding process when practicable.

Response – The transactions were normal expenses and competitive bidding was not practicable.

Conclusion - Response accepted.

II-E-15 Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

II-F-15 Council Minutes - No transactions were found that we believe should have been approved in the Council minutes but were not.

City of Garner

Schedule of Findings

Year Ended June 30, 2015

Part II: Other Findings Related to Statutory Reporting: (con't)

- II-G-15 Deposits and Investments - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.
- II-H-15 Revenue Note – The City has complied with the revenue note provisions. Required Sewer Revenue Bond Sinking Fund has been created.
- II-I-15 Urban Renewal Annual Report – The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before the extended due date and no exceptions were noted.